

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 279 - HB 327

February 7, 2023

SUMMARY OF BILL: Removes the requirement that the nonprofit partner of the Governor's Office of Faith-Based and Community Initiatives (Office) use its own revenues to cover the cost of the nonprofit partner's activities. Removes the prohibition on a state employee benefitting from the nonprofit partner's revenue. Deletes the statement of the General Assembly's intent that the state not realize any increased cost as a result of the Office.

FISCAL IMPACT:

Other Fiscal Impact – It is unknown the exact impact the proposed legislation will have on state expenditures and liabilities in FY23-24 and subsequent years. The Governor's proposed FY23-24 budget on page B-27 includes \$1,200,000 in recurring funding for the Office of Faith-Based and Community Initiatives to provide a sustainable funding source.

Assumptions:

- Pursuant to Tenn. Code Ann. § 4-32-103, the Office may partner with a nonprofit public benefit corporation in order to carry out the purposes of the Office; however, any costs to underwrite the nonprofit partner's activities related to the Office must be borne from revenues of the nonprofit partner.
- Pursuant to Tenn. Code Ann. § 4-32-104(a), it is the intent of the General Assembly that the state not realize any increased cost as a result of the activities of the Office.
- The proposed legislation would authorize state dollars to be used to fund the nonprofit partner's activities, and allow state employees to benefit from the nonprofit partner's proceeds.
- According to the Department of Finance and Administration, there is \$1,200,000 included in the governor's budget to carryout the responsibilities of the office and the funding should provide a sustainable funding source and reduce the office's reliance on outside funding.
- It is unknown the current or historical expenditures of the office and whether or not the \$1,200,000 will cover all expenditures of the office. The department expects to spend time discussing the needs of the office with the new director which will drive how the grant will be structured.
- It is further unknown if the state funding for the office will result in employees of the Office creating additional liabilities to the state that have not been considered.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/klc